



PRESS RELEASE

FOR IMMEDIATE RELEASE

Sarine Delivers Record Number of Galaxy™ Family Inclusion Mapping Systems in Q2 2016

Hod Hasharon, Israel, 5 July 2016 – Singapore Exchange Mainboard-listed Sarine Technologies Ltd ("Sarine") (U77:SI), a worldwide leader in the development, manufacture and sale of precision technology products for the planning, processing, evaluation and measurement of diamonds and gems, is pleased to report that it has delivered a record 20 Galaxy™ family inclusion mapping systems in Q2 2016.

As previously disclosed in our Q1 results discussion published on 8 May 2016, positive industry trends, namely reduced rough prices on the backdrop of modestly increased polished prices, reduced polished inventories and overall stable demand for polished diamonds (excepting Hong Kong and Macau), have created the necessary price variances for midstream profitability. These trends were evident in the subsequent two DeBeers sights in May and June, with rough prices remaining substantially unchanged and continued stable demand from the sightholders and manufacturing sector. At the key Las Vegas JCK trade show held in the first week of June, though traffic was lighter than the previous year, buyers were focused, demand was evident and deals were concluded. At the subsequent Hong Kong trade show held two weeks later in June, though some impact from the slowing growth in China was apparent, there was distinct demand for mainstream polished diamonds (i.e., sizes up to 2 carats, Clarity grades up to SI and colourless to near-colourless Colour grades).

On the backdrop of these overall positive developments, we are pleased to report that the prevailing improved sentiment in the Indian diamond manufacturing industry has continued to drive our inclusion mapping systems sales, with a record 20 being delivered in Q2 2016 (18 in Q1 2016; 48 for best full year to date – 2014), of which 10 were of the new Meteor™ model for small stones, 8 were Solaris™ systems, and 2 were of the Galaxy™ Ultra model.

Furthermore, driven by the continued positive industry sentiments, though final numbers for the quarter are not yet available, we expect revenues for the second quarter of the year in excess of U.S. \$20 million, constituting a significant improvement both on year-over-year and sequential bases. Based on these preliminary estimated revenues, notwithstanding our increased operating expenses, primarily for sales and marketing as we continue to intensify our polished diamond services roll-out efforts, we also expect to report continued improvement in our profitability.



About Sarine Technologies:

Established in 1988, Sarine Technologies Ltd. is a worldwide leader in the development and manufacturing of advanced evaluation, planning, processing and grading systems for diamond and gemstone production. Sarine products include diamond Cut, Color and light performance grading tools, the Galaxy™ family of inclusion mapping systems, rough diamond planning optimisation systems, laser cutting and shaping systems, laser-marking and inscription machines and polished diamond visualisation systems. Sarine systems have become an essential gemology tool in every properly equipped gem lab, diamond appraisal business and manufacturing plant, and are today considered essential items by both diamond dealers and retailers. For more information about Sarine and its products and services, visit <http://www.sarine.com>.

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